71

(3)

No. 07-315

IN THE
Supreme Court of the United States

PODS, INC.,

Petitioner,

v.

PORTA STOR, INC.,

Respondent.

On Petition for a Writ of Certiorari to the United States Court of Appeals for the Federal Circuit

REPLY IN SUPPORT OF PETITION FOR A WRIT OF CERTIORARI

JOSEPH DIAMANTE*
RICHARD H. AN
JENNER & BLOCK LLP
919 Third Avenue
37th Floor
New York, NY 10022
(212) 891-1600

**Counsel of Record*

CORPORATE DISCLOSURE STATEMENT

Pursuant to United States Supreme Court Rule 29.6, Petitioner PODS, Inc. certifies that it has no parent company and that there is no publicly held company that owns 10% or more of the stock of PODS, Inc.

TABLE OF CONTENTS

Page

CORPORATE DISCLOSURE STATEMENT i

TABLE OF CONTENTS ii

TABLE OF AUTHORITIES iii

REPLY ARGUMENTS FOR GRANTING THE PETITION 1

I. Contrary to Porta Stor's Assertions, this Court Should Review the Federal Circuit's Decision to Raise and Decide the Issue of Prosecution History Estoppel *Sua Sponte* On Appeal, As the Federal Circuit's Decision So Far Departs from the Accepted and Usual Course of Judicial Proceedings 1

A. The Issue of Prosecution History Estoppel Was Indisputably Never Raised at Trial or Appealed to the Federal Circuit 1

B. The District Court's Claim Constructions Did Not Address the Issue of Prosecution History Estoppel 4

II. Contrary to Porta Stor's Assertion, There Is Conflicting Precedent Regarding the Reliance Requirement for Argument-Based Prosecution History Estoppel 6

CONCLUSION 8

TABLE OF AUTHORITIES

Page(s)

Applera Corp. v. MJ Res. Inc., 292 F. Supp. 2d 348 (D. Conn. 2003) 5

Bayer AG v. Elan Pharm. Res. Corp., 212 F.3d 1241 (Fed. Cir. 2000) 3

Biodex Corp. v. Loredan Biomedical, Inc., 946 F.2d 850 (Fed. Cir. 1991) 2

Omega Eng'g, Inc, v. Raytek Corp., 334 F.3d 1314 (Fed. Cir. 2003) 5

Southwall Techs., Inc. v. Cardinal IG Co., 54 F.3d 1570 (Fed. Cir. 1995) 4, 5, 7

Spectrum Int'l, Inc. v. Sterilite Corp., 164 F.3d 1372 (Fed. Cir. 1998) 4

Warner-Jenkinson Co., Inc. v. Hilton Davis Chem. Co., 520 U.S. 17 (1997) 5

Wenger Mfg., Inc. v. Coating Machinery Sys., Inc.,.239 F.3d 1225 (Fed. Cir. 2001) 5

Zenith Labs., Inc. v. Bristol-Meyers Squibb Co., 19 F.3d 1418 (Fed. Cir. 1994) 6, 7

REPLY ARGUMENTS FOR GRANTING THE PETITION

I. Contrary to Porta Stor's Assertions, this Court Should Review the Federal Circuit's Decision to Raise and Decide the Issue of Prosecution History Estoppel *Sua Sponte* On Appeal, As the Federal Circuit's Decision So Far Departs from the Accepted and Usual Course of Proceedings

As set forth in PODS' Petition, one of the express grounds for granting certiorari is where the court of appeals "has so far departed from the accepted and usual course of judicial proceedings . . . as to call for an exercise of this supervisory power." Supreme Court Rule 10(a). The Federal Circuit *sua sponte* raised and decided the issue of prosecution history estoppel in favor of Porta Stor on appeal, ***even though that issue had never been raised at trial or appealed to it.*** A clearer case of a departure from the accepted and usual course of judicial proceedings is difficult to imagine. Porta Stor's arguments that the issue of prosecution history estoppel was raised prior to trial in the district court proceedings or that that issue was somehow implicitly decided in the district court claim constructions are without merit.

A. The Issue of Prosecution History Estoppel Was Indisputably Never Raised at Trial or Appealed to the Federal Circuit

Porta Stor does not, and cannot, dispute the fact that the issue of prosecution history estoppel was never raised at trial and, consequently, never appealed to the Federal Circuit. Porta Stor made only two arguments in appealing the district court's ruling that claims 1 and 32 were infringed under the doctrine of equivalents neither had anything whatsoever to do with

prosecution history estoppel.[1] (Porta Stor's Opening Appeal Brief, pp. 33-35). In fact, in its Brief in Opposition to PODS' Petition for Certiorari, Porta Stor admits that during oral argument before the Federal Circuit, it expressly conceded that it had not raised prosecution history estoppel as a defense to infringement under the doctrine of equivalents. (Porta Stor's Brief in Opposition to PODS' Petition for a Writ of Certiorari ("Opp.") at 4: "the question posed to counsel for Porta Stor was whether Porta Stor raised prosecution history estoppel as it related to the doctrine of equivalents. ***Porta agreed that it had not*** . . . .") (emphasis added).

Porta Stor contends, however, that the issue of prosecution history estoppel had been raised prior to trial during the district court proceedings, including, in particular, the district court's claim construction proceedings. Porta Stor is wrong. As set forth below in detail below, prosecution history estoppel has nothing to do with claim construction because it relates only to infringement under the doctrine equivalents. *See infra* Section I(B). In any event, regardless whether Porta Stor raised prosecution history estoppel prior trial (which it did not), the fact remains that ***Porta Stor did not raise that issue at trial or appeal that issue to the Federal Circuit***. As set forth in PODS' Petition, the law is well-settled that under such

---

[1] In particular, Porta Stor argued that (a) all the asserted claims require a gasoline engine and since PODS' expert allegedly could not remember whether the Porta Stor device used a gasoline or diesel engine, his testimony could not serve as a basis for finding infringement as a matter of law, and (b) the term "carrier frame" was not properly construed as a step-plus-function clause, and thus not properly considered in the district court's infringement ruling. (Porta Stor Br., pp. 33-35). Plainly, neither of those grounds relate to prosecution history estoppel, which may estop a patentee from asserting infringement under the doctrine of equivalents. *Biodex Corp. v. Loredan Biomedical, Inc.*, 946 F.2d 850, 862 (Fed. Cir. 1991).

circumstances, that issue has been waived further consideration. (Petition at 3-7). Accordingly, Federal Circuit's decision to resurrect and decide that issue *sua sponte* amounted to a denial of due process for PODS.

Because the Federal Circuit raised and decided the issue of prosecution history estoppel on appeal *sua sponte*, PODS had no opportunity at trial or on appeal to make further arguments against the applicability of prosecution history estoppel and present testimony regarding what a reasonable competitor would conclude from the prosecution history of the patent at issue. *See Bayer AG v. Elan Pharm. Res. Corp.*, 212 F.3d 1241, 1254 (Fed. Cir. 2000) ("testimony as to what a reasonable competitor would conclude from the prosecution history . . . is . . . a tool, which the judge can use at his or her discretion, to aid in the legal determination of prosecution history estoppel."). Porta Stor contends, however, that such testimony is entitled to only "minimal" weight in deciding the issue of prosecution history estoppel. (Opp. at 7). In doing so, Porta Stor misses the point. The issue is not the probative weight to be given such testimony, but whether PODS was deprived of the opportunity to present such testimony, which Porta Stor concedes the district court ***may use*** in deciding the issue of prosecution history estoppel. (Opp. at 7). Further, if Porta Stor had raised the issue of prosecution history at trial or on appeal, PODS could have made additional arguments against the applicability of that doctrine. Plainly then, in view of PODS' lack of opportunity to present testimony and further argument regarding the issue of prosecution history estoppel, the Federal Circuit's *sua sponte* decision regarding that issue was not only improper, but amounted to a denial of due process for PODS.

B. The District Court's Claim Constructions Did Not Address the Issue of Prosecution History Estoppel

Throughout its Opposition brief, Porta Stor repeatedly argues that "prosecution history examination is an integral component of any claims construction" (Opp. at 1), and that therefore, the issue of prosecution history estoppel was addressed by the district court's claim constructions, which Porta Stor did appeal to the Federal Circuit. (Opp. at 3 "The issue of prosecution history estoppel was presented to the Court during the pre-trial claims construction."). Porta Stor is wrong.

As set forth in PODS' Petition, construing claims in view of the prosecution history is separate and distinct from the issue of prosecution history estoppel. Indeed, the Federal Circuit itself recently acknowledged that principle:

> Southwall seems to imply that principles of prosecution history estoppel are relevant in the claim construction step of a determination of literal infringement. There is, however, a clear distinction between following the statements in the prosecution history in defining a claim term, and the doctrine of prosecution history estoppel, which limits expansion of the protection under the doctrine of equivalents when a claim has been distinguished over relevant prior art . . . ***The limit on the range of equivalents that may be accorded a claim due to prosecution history estoppel is simply irrelevant to the interpretation of those claims.***

(*See Southwall Techs., Inc. v. Cardinal IG Co.*, 54 F.3d 1570,1578 (Fed. Cir. 1995) (emphasis added); *see also Spectrum Int'l, Inc. v. Sterilite Corp.*, 164 F.3d 1372, 1378 n. 2 (Fed. Cir.1998) (same).

Significantly, the claim construction process is used only to determine the literal scope of the claims, which is separate and apart from the issues of infringement under the doctrine of equivalents and prosecution history estoppel. *See Southwall*, 54 F.3d at 1578 ("**Claim interpretation** in view of the prosecution history is a preliminary step in determining literal infringement, while prosecution history estoppel applies as a limitation on the range of equivalents if, after the claims have been properly interpreted, no literal infringement has been found . . . ***The limit on the range of equivalents that may be accorded a claim due to prosecution history estoppel is simply irrelevant to the interpretation of those claims***.") (emphasis added); *Wenger Mfg., Inc. v. Coating Machinery Sys., Inc.*, 239 F.3d 1225, 1238 (Fed. Cir. 2001) ("the doctrine of prosecution history estoppel is 'irrelevant' to the determination of literal claim scope."); *Applera Corp. v. MJ Res. Inc.*, 292 F. Supp. 2d 348, 356 n. 6 (D. Conn. 2003) ("prosecution history estoppel does not apply to claim construction [or the] literal infringement analysis"). Infringement under the doctrine of equivalents, however, addresses whether a device infringes a claim even though that device falls outside the ***literal*** scope of that claim. *See Southwall*, 54 F.3d 1578. Accordingly, any argument that the issue of prosecution history estoppel was addressed through the district court's claim constructions is without merit.[2]

---

[2] The district court's references to the prosecution history and "estoppel" in its claim construction order (29a, 31a) were made in the context of determining the ***literal*** scope of claim 29. Indeed, contrary to prosecution history estoppel which limits the doctrine of equivalents, construing claims in view of the prosecution history applies to the determination of literal infringement by excluding from the claim construction any claim scope that has been clearly and unmistakably disavowed during prosecution. *See Warner-Jenkinson Co., Inc. v. Hilton Davis Chem. Co.*, 520 U.S. 17, 30 (1997); *Omega Eng'g, Inc. v. Raytek Corp.*, 334 F.3d 1314, 1323-26 (Fed. Cir. 2003). Again, the claim construction process only determines the literal scope of the claims–not

Indeed, the district court's claim construction order plainly did not decide the issue of prosecution history estoppel, as the issue of infringement under the doctrine of equivalents was not at issue during claim construction. In particular, the district court's claim construction order only addressed the literal scope of the claims, namely, the ***literal*** scope of claim 29, which PODS contended was literally infringed by Porta Stor. (25a-34a: "This order resolves these claim construction issues by defining the terms, "carrier frame around the container," in claim 29.").

Finally, contrary to Porta Stor's assertion, PODS is not disputing that the prosecution history of a patent may be examined in construing the claims of that patent to determine the literal scope of the patent's claims. Again, however, that examination is separate and distinct from the doctrine of prosecution history estoppel.

II. Contrary to Porta Stor's Assertion, There Is Conflicting Precedent Regarding the Reliance Requirement for Argument-Based Prosecution History Estoppel

As set forth in PODS' Petition, the Federal Circuit has issued conflicting opinions on whether prosecution history estoppel, when based solely on arguments made during prosecution, requires an inference that the examiner relied on those arguments in allowing the patent to issue. *Compare Zenith Labs., Inc. v. Bristol-Meyers Squibb Co.*, 19 F.3d 1418,1425 n. 8 (Fed. Cir. 1994) (declining to find prosecution history estoppel because there was "no indication the examiner

---

whether one is estopped from asserting infringement under the doctrine of equivalents even if the accused device falls outside the literal scope of that claim.

ever relied on the statements [at issue] . . . in allowing the patent to issue.") (emphasis added) with *Southwall Techs., Inc. v. Cardinal IG Co.*, 54 F.3d 1570, 1583 (Fed. Cir. 1995) ("clear assertions made during prosecution in support of patentability, ***whether or not actually required to secure allowance of the claim***, may also create an estoppel.") (emphasis added). Porta Stor argues, however, that there is no conflicting precedent regarding the issue, contending that Southwall has nothing to do with that issue. (Opp. at 11). Porta Stor is wrong.

Southwall expressly holds that a patentee's statements during prosecution may give rise to prosecution history estoppel ***regardless*** of whether the examiner ***relied*** on those statements in deciding to allow the patent to issue. *See Southwall*, 54 F.3d at 1583 ("Estoppel extends beyond the basis of patentability"). Indeed, in its decision, the Federal Circuit cited *Southwall* for the proposition that "clear assertions made during prosecution in support of patentability, ***whether or not actually required to secure allowance of the claim***, may also create an estoppel." (14a) (emphasis added). As such, *Southwall* is plainly inconsistent with *Zenith*, which, as Porta Stor agrees, holds that "if an estoppel is to rest upon arguments made during the examination process, the circumstances . . . must be such as to permit an inference that the examiner relied on the arguments made during the patent prosecution" in deciding to let the patent issue. (Opp. at 11-12). Indeed, Zenith expressly states that "[a] showing that the conduct in question played a material role ***in the issuance of the patent*** usually suffices" to permit an inference that "[examiner] reliance in fact occurred." *Zenith*, 19 F.3d at 1425 n. 8 (emphasis added). Accordingly, there is conflicting Federal Circuit precedent regarding the reliance requirement in argument-based prosecution history estoppel. As this Court has yet to rule on that issue, it should grant PODS' Petition in order to resolve the conflicting decisions of the Federal Circuit.

CONCLUSION

Petitioner PODS respectfully requests that its petition for writ of certiorari be granted.

Respectfully submitted,

JOSEPH DIAMANTE*
RICHARD H. AN
JENNER & BLOCK LLP
919 Third Avenue
37th Floor
New York, NY 10022
(212) 891-1600

**Counsel of Record*

October 22, 2007